

Message Text

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ACTION EB-08

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TO SECSTATE WASHDC 9391 PRIORITY

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SUBJECT: INTERAGENCY TASK FORCE TO DEVELOP A NATIONAL EXPORT POLICY

REF: A) STATE 95673, B) STATE 99793

CONSTRAINTS ON U.S. SALES TO ZAIRE ARE: FIRST, THE ACUTE LACK OF FOREIGN EXCHANGE, AND, SECOND, THE UNWILLINGNESS OR INABILITY OF AMERICAN COMPANIES TO DEAL IN THE MANNER ESTABLISHED BETWEEN ZAIRIAN COMPANIES AND THEIR TRADITIONAL EUROPEAN SUPPLIERS. THE FOLLOWING AREAS SHOULD BE ADDRESSED BY THE TASK FORCE:

A. THE MOST OBVIOUS IMMEDIATE CONSTRAINT ON TRADE BETWEEN THE U.S. AND ZAIRE ARE THE EXPORT-IMPORT BANK'S POLICIES AGAINST FURTHER EXTENSION OF CREDIT OR GUARANTEES TO MOST ZAIRIAN IMPORTERS. UNDER ITS PRESENT STRUCTURE AND RULES OF OPERATION THE EXPORT-IMPORT BANK IS NOT COMPETITIVE WITH THE EXPORT BANKS OF OTHER MAJOR NATIONS SELLING IN THIS AREA. THOSE NATIONS USE THEIR EXPORT BANKS AS FOREIGN AID TOOLS. EACH YEAR, THOSE BANKS APPARENTLY HAVE A NEW MARGIN SET ASIDE FOR EXPORTS TO ZAIRE WITH WHICH THEY

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CAN GUARANTEE THEIR NATIONALS' EXPORTS DESPITE ZAIRE'S BALANCE OF PAYMENTS PROBLEMS. IN THE ABSENCE OF FOREIGN CREDIT INSURANCE ASSOCIATION INSURANCE, AMERICAN EXPORTERS ARE SELLING HERE FOR CASH OR NOT AT ALL. THE EMBASSY CAN UNDERSTAND THE DIFFERENCE IN PHILOSOPHY REPRESENTED BY EXIM VERSUS THE EUROPEAN AND JAPANESE EXPORT BANKS, BUT LOCAL IMPORTERS CANNOT. ALL THEY KNOW IS THAT FRENCH SUPPLIERS COOPERATE AND AMERICAN SUPPLIERS WON'T EVEN TALK

TO THEM.

B. THE TASK FORCE SHOULD ALSO STUDY WAYS IN WHICH U.S. PARTICIPATION IN TRADE FAIRS IN ECONOMIES LIKE ZAIRE MIGHT BE FINANCED. ALTHOUGH AT PRESENT THE U.S. HAS FEW PROSPECTS FOR SHORT-TERM SALES THROUGH PARTICIPATION IN ZAIRE'S SHOWCASE INTERNATIONAL FAIR, FIKIN, THE GOVERNMENT OF ZAIRE EXPECTS THE U.S. AND OTHER MAJOR COUNTRIES TO PARTICIPATE EFTHUSIASTICALLY AND PROMINENTLY IN THE EVENT. IF THE U.S. EXPECTS TO RETAIN ITS ACCESS TO ZAIRE'S NATURAL RESOURCES AND POTENTIALLY SIZEABLE MARKET, IT CANNOT AFFORD TO TAKE ITS FOOT OUT OF THE DOOR WHEN THE ZAIRIAN ECONOMY IS TEMPORARILY IN A SLUMP.

C. STRICT FEDERAL REGULATIONS AGAINST PAYMENTS TO FACILITATE SALES PUTS U.S. SALESMEN AT A DISTINCT DISADVANTAGE IN A SYSTEM WHICH WOULD RATHER NOT WORK AT ALL THAN WORK WITHOUT OIL. NUMEROUS BUSINESS VISITORS CONTEND THAT IN THE ABSENCE OF EQUALLY COMMITTED ENFORCEMENT OF RULES AGAINST ILLEGAL PAYMENTS BY OTHER GOVERNMENTS, THE U.S. WILL PAY FOR ITS MORAL STAND WITH LOSS OF POTENTIAL EXPORTS.

D. AMERICAN LACK OF FACILITY WITH FOREIGN LANGUAGE IS A MAJOR HANDICAP IN A MARKET WHERE ALL BUSINESS IS CONDUCTED IN FRENCH. THE DEPARTMENT OF COMMERCE MIGHT WORK WITH STATE EXPORT ASSOCIATIONS AND CHAMBERS OF COMMERCE TO IDENTIFY TRANSLATION AND INTERPRETATION SERVICES THAT COULD BE EMPLOYED BY AMERICAN COMPANIES
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THAT HAVE A SINCERE INTEREST IN TRADING WITH CENTRAL AFRICA. BECAUSE OF THEIR EXPERIENCES WITH THE LARGELY MULTI-LINGUAL BUSINESSMEN OF EUROPE, AMERICANS APPEAR TO BELIEVE THAT QUOTE EVERYBODY UNQUOTE CAN SPEAK ENGLISH. IT ISN'T TRUE AND A BUSINESSMAN WON'T DO BUSINESS WITH YOU IF HE CAN'T UNDERSTAND YOUR CORRESPONDENCE OR READ YOUR PROMOTIONAL LITERATURE.
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